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No. 96-1297

IN THE

Supreme Court of the United States

OCTOBER TERM, 1996

UNITED STATES OF AMERICA,

Petitioner,

v.

HUGHES AIRCRAFT COMPANY,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION

KENNETH W. STARR
Counsel of Record
CHRISTOPHER LANDAU
JAY I. ALEXANDER
DARYL JOSEFFER
KIRKLAND & ELLIS
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 879-5000

PHILIP C. SWAIN
KIRKLAND & ELLIS
300 South Grand Avenue
Los Angeles, CA 90071
(213) 680-8400

Counsel for Respondent

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COUNTERSTATEMENT OF THE CASE

This case involves the Government's unauthorized use of U.S. Patent No. 3,758,051 (the Williams patent), which covers a means of controlling the orientation of satellites in space. The Williams technology enabled the United States to launch the world's first successful high-orbiting communications satellite by 1963. Then, over the next 30 years, the Government used the Williams invention in over 100 spacecraft, including spacecraft still in use today. Respondent Hughes Aircraft Company, the patent's owner, filed this case in November 1973 seeking just compensation from the Government. By stipulation of the parties, the trial court in 1974 bifurcated the liability and compensation phases of the case. *See* Opp. App. at 2. Trial on liability occurred in 1976-77.

The trial court concluded that government satellites operating in a "real time" mode literally infringed the Williams patent, but that government satellites operating in a "store-and-execute" ("S/E") mode did not infringe either literally or under the doctrine of equivalents. *See* Pet. App. at 198a-366a.[1]

The Court of Appeals for the Federal Circuit reversed the latter holding in 1983. *See* Pet. App. at 161a-92a ("*Hughes VII*"). In an opinion authored by Chief Judge Markey, the appellate court held that the trial court had erred by limiting the scope of the doctrine of equivalents only to "obvious and exact" equivalents. *Id.* at 186a-92a. The Federal Circuit noted that this formulation amounted to nothing more than a restatement of the test for *literal* infringement, and thus effectively abrogated the doctrine of equivalents. *See id.* at 187a.

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[1] After a delay caused by the Government's motion to disqualify the original trial judge, *see* 197 U.S.P.Q. 797 (Ct. Cl. 1977), the trial court initially held the patent invalid, *see* 205 U.S.P.Q. 381 (Ct. Cl. Tr. Div. 1979), but that holding was reversed on appeal, *see* 640 F.2d 1193 (Ct. Cl. 1980).

The *Hughes VII* court explained that an accused product may infringe under the doctrine of equivalents "'if it performs substantially the same function in substantially the same way to obtain the same result' as the claimed product or process." Pet. App. at 180a (quoting *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608 (1950)).

In applying this doctrine, the *Hughes VII* court undertook a careful element-by-element analysis of each of the three disputed claim limitations in representative claim 1. *See id.* at 187a-91a. The court canvassed the similarities and the differences between the claimed invention and the S/E spacecraft and compared the claim elements to the accused device in the context of the entire invention and the technology involved. *See id.* at 179a-80a, 187a-91a. The court concluded that "[t]he S/E spacecraft and the claimed Williams satellite reflect the precise circumstance envisaged in *Graver, supra,* for they perform the same function (receipt of and response to command signals from an external location to accomplish precession), in substantially the same way (jet firings synchronized, albeit later and internally, with ISA position) to obtain substantially the same result (controlled precession of spin axis in a predetermined direction to orient a hovering satellite)." *Id.* at 191a-92a. Accordingly, the *Hughes VII* court concluded that "Hughes has proven that the government's S/E spacecraft infringe Williams' claims 1, 2, and 3 under the doctrine of equivalents." *Id.* at 192a.

In reaching this conclusion, the court addressed and rejected the Government's argument based on a prosecution history ("file wrapper") estoppel theory. *See* Pet. App. at 182a-85a, 192a. The court first acknowledged that a patent holder was estopped from obtaining a claim construction that would recapture subject matter that had been disclaimed during the patent application process. *See id.* at 182a. The court then proceeded to analyze the reasons for and the effect of the claim

amendments during the Williams patent application, *see id.* at 182a-83a, and concluded that those amendments did not estop Hughes from invoking the doctrine of equivalents against the Government's S/E satellites. *See id.* at 184a-85a.

The Federal Circuit's decision in *Hughes VII* ended the liability phase of the case. Accordingly, the appellate court remanded "for determination of the quantum of recovery due Hughes." *Id.* at 192a. The Government did not petition for *certiorari*.

The trial court conducted a two-part trial on the issue of just compensation in 1988 and 1991. At the conclusion of that process, the trial court held that Hughes was entitled to a 1% royalty plus delay compensation computed at the statutory tax overpayment rate, 26 U.S.C. § 6621 (1994), as compensation for the delay in payment since 1973. *See Hughes Aircraft Co. v. United States*, 31 Fed. Cl. 481 (1994).

The Federal Circuit affirmed that judgment. *See* Pet. App. at 1a-24a (*"Hughes XII"*). On the Government's cross-appeal, the appellate court, per Chief Judge Archer, expressly declined the Government's invitation to revisit the underlying determination of liability. *See id.* at 18a-24a. The 1983 decision in *Hughes VII*, the court held, established the law of the case with respect to liability, and the Government had offered no compelling reason to depart from that ruling. *See id.* In applying the doctrine of equivalents, the *Hughes XII* court noted, the *Hughes VII* court had properly "considered each claim limitation not literally found in the S/E spacecraft" and had concluded that "there was an equivalent for each claim limitation not literally met." Pet. App. at 21a.

REASONS FOR DENYING THE WRIT

The petition for *certiorari* should be denied. This case does not warrant this Court's plenary review, and indeed the Government has not requested such review. Rather, the Government's sole argument is that the petition should be held for this Court's decision in *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.* Because that case had now been decided, *see* No. 95-728, slip op., 65 U.S.L.W. 4162 (U.S. Mar. 3, 1997), the sole remaining question is whether there is any basis to grant the petition, vacate the judgment, and remand the case in light of *Warner-Jenkinson*. The answer to that question is no.

As this Court has recently stated, the power to grant, vacate, and remand "should be exercised sparingly." *Lawrence v. Chater*, 116 S. Ct. 604, 609 (1996) *(per curiam)*. Such a course is appropriate only when (1) there is a "reasonable probability" that the lower court would reject its previous analysis and thereby reach a different result, and (2) the equities of the case, including "the delay and further cost entailed in a remand," do not outweigh the potential benefit. *Id.* at 607.

A GVR in light of *Warner-Jenkinson* would be inappropriate for two reasons. *First*, that decision in no way affects the Government's liability in this case. The Federal Circuit's analysis of the doctrine of equivalents, both in *Hughes VII* in 1983 and in *Hughes XII* in 1996, is entirely consistent with this Court's analysis of the doctrine in *Warner-Jenkinson*. Indeed, the *Hughes XII* court expressly rejected the Government's contention that *Hughes VII* is inconsistent with the element-by-element approach to the doctrine of equivalents reaffirmed by this Court in *Warner-Jenkinson*.

Second, there are sound equitable reasons for denying the Government's request to reopen the issue of liability. Both Hughes and the federal judiciary have already been forced to

devote inordinate time and resources to this case. Reopening the liability determination in *Hughes VII* at this late date would thwart those efforts and thus undermine the "public's strong interest in the finality of judgments in patent litigation." *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 100 (1993). It is high time to bring this 24-year litigation odyssey to an end.

A. The Petition Should be Denied Because Application of *Warner-Jenkinson* Would Not Yield a Different Result.

Because this Court's recent decision in *Warner-Jenkinson* is entirely consistent with the Federal Circuit's reasoning in this case, there is no "reasonable probability" that the Federal Circuit would reach a different result on remand. *Lawrence*, 116 S. Ct. at 609.

1. *Warner-Jenkinson* Affirmed the Approach to the Doctrine of Equivalents Employed by the Federal Circuit in *Hughes VII* and *Pennwalt*.

The *Warner-Jenkinson* Court unanimously reaffirmed the validity of the doctrine of equivalents. *See* slip op. at 22, 65 U.S.L.W. at 4168. The Court also reiterated the long-standing rule that "[e]ach element in a patent claim is deemed material to defining the scope of the patented invention." *Id.* at 10, 65 U.S.L.W. at 4165. The central question in a doctrine of equivalents case is thus: "Does the accused product or process contain elements identical or equivalent to each claimed element of the patented invention?" *Id.* at 21, 65 U.S.L.W. at 4168.

The principle that the doctrine of equivalents must be applied on an element-by-element basis is hardly novel. That principle was fully elaborated by the Federal Circuit a decade ago in *Pennwalt Corp. v. Durand-Wayland, Inc.*, 833 F.2d 931

(Fed. Cir. 1987) *(en banc), cert. denied,* 485 U.S. 961, 1009 (1988). As the *Pennwalt* court explained:

> '[A] court may not, under the guise of applying the doctrine of equivalents, erase a plethora of meaningful structural and functional limitations of the claim on which the public is entitled to rely in avoiding infringement. . . . [I]n applying the doctrine of equivalents, each limitation must be viewed in the context of the entire claim. . . . It is well settled that each element of a claim is material and essential, and that in order for a court to find infringement, the plaintiff must show the presence of every element or its substantial equivalent in the accused device.'

833 F.2d at 935 (quoting *Perkin-Elmer Corp. v. Westinghouse Elec. Corp.*, 822 F.2d 1528, 1532-33 (Fed. Cir. 1987) (Markey, C.J.)) (citations omitted). The *Pennwalt* court went on to hold that, under the facts of that case, infringement under the doctrine of equivalents had not been established because the accused device did not perform the same or substantially the same functions required by the patent claims. *See* 833 F.2d at 935-37.

Pennwalt's explanation of the element-by-element approach to the doctrine of equivalents is completely consistent with *Warner-Jenkinson*'s observation that courts should "focus on individual [claim] elements" and employ "special vigilance against allowing the concept of equivalence to eliminate completely any such elements." Slip op. at 21, 65 U.S.L.W. at 4168.

2. In *Hughes XII*, the Federal Circuit Rejected the Government's Position that *Hughes VII* was Inconsistent with the Element-by-Element Approach Required by *Pennwalt*.

The Government's main argument in favor of reopening the liability holding established 14 years ago in *Hughes VII* has been that the holding is no longer good law in light of *Pennwalt*. *See* Pet. App. at 18a ("The government argues that *Hughes VII* should not be the law of the case after this court's *in banc* decision in *Pennwalt*."). Specifically, the Government argued below that *Hughes VII* had applied an "invention as a whole" standard, whereas *Pennwalt* had applied an "element-by-element" standard. That very argument remains the centerpiece of the Government's petition for *certiorari*. *See* Pet. at 8.

The Federal Circuit, however, squarely addressed and rejected that argument. The *Hughes XII* court explained that the *Hughes VII* court had "considered each claim limitation not literally found in the S/E spacecraft and looked at whether the elements of the S/E spacecraft performed the same function in substantially the same way to obtain the same result." Pet. App. at 21a. "Because there was an equivalent for each claim limitation not literally met, the [*Hughes VII*] court concluded that the differences between the claimed invention and the S/E spacecraft were too insubstantial to avoid liability under the doctrine of equivalents." *Id.* (citations omitted). Thus, the *Hughes VII* analysis was "entirely consistent with *Pennwalt*." *Id.* In view of this element-by-element equivalence, the *Hughes XII* court also noted the harmony of the *Hughes VII* decision with the "insubstantial change" analysis set forth in its then-recent decision in *Hilton Davis*. *Id.* at 22a.

The Federal Circuit's conclusion that the *Hughes VII* court's analysis is consistent with the element-by-element

approach required by *Pennwalt* (and now *Warner-Jenkinson*) is demonstrably correct. From its earliest days, the Federal Circuit has been mindful of the important role played by patent claims. *See, e.g., Lemelson v. United States*, 752 F.2d 1538, 1551 (Fed. Cir. 1985) ("It is . . . well settled that each element of a claim is material and essential, and that in order for a court to find infringement, the plaintiff must show the presence of every element or its substantial equivalent in the accused device.").

The *Hughes VII* court thoroughly reviewed the evidence of equivalency as to each of the three disputed claim limitations, elements (e), (f), and (g) of representative claim 1. *See* Pet. App. at 188a-92a. Applying the rule, now confirmed by *Warner-Jenkinson*, that later-developed equivalents, recognized as such at the time of infringement, can constitute infringing equivalents, the Federal Circuit held that the small differences in operation between the patented satellites and the accused S/E satellites arose from the Government's substitution of a technological embellishment made possible by advances in technology that allowed a computer to fly on board the spacecraft to execute commands to fire the spacecraft's thruster at the desired time in its spin cycle. *See* Pet App. at 189a-91a.[2]

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[2] As the *Hughes XII* court explained:

> Based on the specification and engineering evidence, the [*Hughes VII*] court concluded that "retention of the ISA position in an on-board computer, while transmitting sufficient information to enable the ground crew to use that computer-retained information to control the satellite, is the modern-day equivalent of providing an indication of ISA to ground" as required by paragraph (e) of claim 1. It also determined that the external synchronization of the command signal with the ISA position as specified in paragraphs (f) and (g) is

(continued...)

The Government's continued assertion that *Hughes VII* relied on an improper "invention as a whole" standard is thus baseless. The Federal Circuit held in *Hughes VII* and confirmed in *Hughes XII* that the Government had done no more than substitute equivalent elements for the Williams patent claim elements. As the *Hughes VII* court noted, the Government's argument (resurrected in the petition) that the accused S/E satellites do not send an ISA signal to the ground may be a valid argument against literal infringement, but does not address the question whether the S/E satellites contain an equivalent of that element. *See* Pet. App. at 190a.[3]

Because the Federal Circuit has already directly decided the issue that would arise on a remand, no purpose would be served by further prolonging this litigation. Accordingly, this

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[2] (...continued)

> equivalent to the internal synchronization accomplished onboard the S/E spacecraft by using modern memory circuits. The court said that use of ISA information onboard as a reference point for firing the jet, instead of using the ISA information on the ground as a reference point, was merely a relocation in the function and did not change the function performed, the manner of operation, or the result obtained.

Pet. App. at 19a-20a (citations omitted).

[3] The Government also asserts that the *Hughes VII* court erred in substituting its fact findings for those of the trial judge. *See* Pet. at 10 n.4. That assertion too is meritless. The *Hughes VII* court did no such thing; rather, it (1) held that the trial judge had employed an improper legal standard and (2) applied the proper standard to the facts of the case. *See* Pet. App. at 185a-92a. In any event, this contention provides no basis for a GVR, as the *Warner-Jenkinson* Court declined even to address the tangentially-related question presented whether application of the doctrine of equivalents is a question of fact or law. *See* slip. op. at 19-20, 65 U.S.L.W. at 4167-68.

Court should simply deny the petition. *See Lawrence*, 116 S. Ct. at 606-07.[4]

B. The Petition Should be Denied Because the Equities Counsel Against Reopening the Threshold Issue of Liability at this Late Date.

A GVR in light of *Warner-Jenkinson* would be particularly inappropriate in this case, because the threshold issue of liability was settled—fairly and finally—14 years ago. Since that time, both Hughes and the federal judiciary have devoted inordinate time and effort to resolving the issue of compensation. It is simply too late in the day now to wipe the slate clean and return to square one. Thus, even if there were otherwise any arguable basis for a GVR in light of *Warner-Jenkinson*, the equities of this case cry out strongly against such a course. *See Lawrence*, 116 S. Ct. at 607.

More than two decades ago, the Government stipulated to the use of bifurcated proceedings in this case. *See* Opp. App. at 2. Pursuant to that stipulation, the Government agreed to a

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[4] This Court reversed and remanded the Federal Circuit's *Hilton Davis* decision because the Federal Circuit in that case had failed to consider all the requirements of the doctrine of equivalents, "particularly as related to prosecution history estoppel and the preservation of some meaning for each element in a claim." Slip op. at 22, 65 U.S.L.W. at 4168. Moreover, this Court recently entered a GVR order in two cases, *Shoketsu Kinzoku KK v. Festo Corp.*, No. 95-1546 and *Honeywell, Inc. v. Litton Sys., Inc.*, No. 96-874, where it appeared that the element-by-element analysis was not conducted, but denied *certiorari* in two cases that had apparently not ignored the claim limitations. *Micron Separations, Inc. v. Pall Corp.*, No. 95-1096 and *Maxwell v. J. Baker, Inc.*, No. 96-851. In this case, the Federal Circuit engaged in a careful element-by-element review, and fully considered the Government's arguments that prosecution history estoppel prevented Hughes from asserting equivalents of the disputed claim elements. *See* Pet. App. at 187a-91a; 182a-85a. Thus, no purpose would be served by a remand on this issue.

threshold determination of liability and then, if necessary, to a subsequent determination of compensation.[5] The liability issue was conclusively resolved by *Hughes VII* in 1983. The Government could have sought *certiorari* at that time,[6] but did not.

With the Government's liability thus settled, the trial court held a trial on compensation over a period of three and one-half years; the court then spent an additional three years weighing the evidence and preparing no fewer than three

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[5] Such bifurcated proceedings are possible in patent cases because Congress has specifically authorized interlocutory appeals limited to the threshold issue of liability. *See* 28 U.S.C. § 1292(c)(2)(1994). That statute reflects the notoriously expensive and time-consuming nature of patent litigation. *See, e.g., Blonder-Tongue Laboratories v. University of Illinois Foundation,* 402 U.S. 313, 334-38, 348 (1971); *McCulloch v. Kammerer Corp.*, 331 U.S. 96, 98 (1947). *See also* H. Rep. No. 1890, 69th Cong., 2d Sess. 1 (1927) ("legislation of this nature is necessary to prevent a great burden of expense to litigants in actions to determine the validity of patents, where an accounting is involved").

[6] In keeping with the statutory scheme set forth in 28 U.S.C. § 1292(c)(2), this Court has routinely granted *certiorari* to review interlocutory decisions on patent infringement liability. *See, e.g., Eli Lilly & Co. v. Medtronic, Inc.*, 496 U.S. 661 (1990); *Dawson Chemical Co. v. Rohm & Haas Co.*, 448 U.S. 176 (1980); *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976); *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969); *United States v. Adams*, 383 U.S. 39 (1966); *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 338 (1961); *Graver Tank & Manufacturing Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950). This practice is consistent with this Court's established practice of treating state court judgments as final if liability has been decided and only an accounting remains. *See, e.g., Cox Broadcasting Corp. v. Cohn*, 420 U.S. 469, 480 (1975) (citing cases). Because an accounting does not moot the liability dispute, "immediate rather than delayed justice would be the best way to avoid 'the mischief of economic waste and of delayed justice.'" *Id.* at 477-78, 480 (quoting *Radio Station WOW, Inc. v. Johnson*, 326 U.S. 120, 124 (1945)).

written opinions. During that trial, the court heard testimony from 61 witnesses, reviewed the deposition testimony of approximately 95 additional witnesses, and received more than 4,500 exhibits into evidence. The transcript of the trial testimony alone includes more than 20,000 pages and the documentary exhibits occupy more than 142 linear feet of shelf space. *See Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 202 (1993).

It would be inequitable, to say the least, to subject Hughes and the lower courts to yet another round of trials and appeals at this late date. The trial record in this case is decidedly cold: it was created in *1976*. To be sure, a great deal of money is at stake in this case, but the bulk (more than two thirds) of that money is attributable to the accumulation of interest as a result of the Government's refusal to pay Hughes a royalty since 1973. Thus, as the *Hughes XII* court wisely observed in rejecting the Government's request to reopen the determination of liability established in *Hughes VII*, "promptness of decision . . . is one of the elements of justice." Pet. App. at 23a (quoting *Forsyth v. City of Hammond*, 166 U.S. 506, 513 (1897)).

In addition to wasting public and private resources, reopening a 14-year-old infringement judgment would contravene the "strong public interest in the finality of judgments in patent litigation." *Cardinal Chemical Co. v. Morton International, Inc.*, 508 U.S. 83, 100 (1993). Public policy requires a conclusive and determinative adjudication of a patent's validity and scope, for a "zone of uncertainty which enterprise and experimentation may enter only at the risk of infringement claims would discourage invention only a little less than unequivocal foreclosure of the field." *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1396 (1996) (internal quotation and citation omitted). That is why this Court has long gone to great lengths to increase the certainty

and conclusiveness of patent judgments.[7] Leaving infringement or validity judgments in limbo for 14 years would ill-serve the inventors and businesses that necessarily rely on them.

Infringement trials and accountings are far too costly and time-consuming for a reviewing court to pronounce, at the conclusion of decades of litigation, that the entire proceeding was a mere dress rehearsal. Accordingly, this Court should deny the Government's request to brush away *24 years* of litigation and start all over again.

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[7] *See, e.g., Markman*, 116 S. Ct. at 1396 (holding that patent interpretation is a question of law, in part to promote uniformity); *Cardinal Chemical*, 508 U.S. at 98-101 (encouraging the circuit court to enter alternative holdings, in order to provide greater certainty); *Blonder-Tongue*, 402 U.S. at 349-50 (permitting use of nonmutual collateral estoppel in patent infringement cases, thereby increasing conclusiveness).

CONCLUSION

For the foregoing reasons, the petition for writ of *certiorari* should be denied.

Dated: March 17, 1997

Respectfully submitted,

KENNETH W. STARR
Counsel of Record
CHRISTOPHER LANDAU
JAY I. ALEXANDER
DARYL JOSEFFER
KIRKLAND & ELLIS
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 879-5000

PHILIP C. SWAIN
KIRKLAND & ELLIS
300 South Grand Avenue
Los Angeles, CA 90071
(213) 680-8400

Counsel for Respondent

IN THE UNITED STATES COURT OF CLAIMS

No. 426-73

(Filed June 24, 1974)

HUGHES AIRCRAFT COMPANY	)
	)
Plaintiff,	)
	)
v.	)
	)
THE UNITED STATES,	)
	)
Defendant.	)

MEMORANDUM OF
PRELIMINARY PRETRIAL CONFERENCE

On June 20, 1974, a preliminary pretrial conference was held in the office of the undersigned. The conference was attended by Dugald S. McDougall, Esq., and John A. Sarjeant, Esq., representing plaintiff; James D. Stokes, Jr., Esq., and Barry Betrin, Esq., representing defendant. In addition, Mr. Daniel Poole, a summer intern at the Department of Justice, was in attendance.

In response to an inquiry concerning the existence of unusual discovery problems, I was advised by Mr. McDougall that the parties were proceeding on the basis of voluntary discovery and that although documents falling into a number of broad categories have been requested by Mr. Stokes, plaintiff would make every attempt to comply with the request. Neither side appeared to anticipate any unusual or difficult discovery problems. Mr. McDougall was confident that discovery could be completed by spring of next year and a trial scheduled for about this time next year. While Mr. Stokes did not totally

agree, there appeared to be no serious dispute that discovery could be completed by spring of next year absent the development of any unusual and unknown problems.

Counsel for the parties agreed that the issue of damages should be severed and that trial should initially be held on patent infringement and validity.

Mr. McDougall advised that the patent involved in the above-styled litigation is also being urged against Philco-Ford Corporation and the Marconi Company of England in the District of Florida. However, venue problems may result in the transfer of the Florida litigation to the Delaware District Court, with plaintiff proceeding solely against Philco-Ford. Mr. McDougall seemed to think that the slow pace at which the case is proceeding both in Florida and/or Delaware dictates against this court's waiting to determine the results of pending District Court litigation. He, accordingly, urged that we proceed to try the case in this court. Mr. Stokes was not in total agreement with Mr. McDougall and, instead, urged that a "wait and see" attitude be taken to evaluate the effects on this litigation of events which occur in the Florida and/or Delaware litigation.

Mr. McDougall indicated that all three claims of the patent involved in the litigation are being infringed. As presently advised, Mr. McDougall stated that the alleged infringing devices are being manufactured by TRW, Inc., and the Philco-Ford Corporation. While he indicated that plaintiff did not have in its possession any TRW, Inc., and/or Philco-Ford Corporation drawings or manuals that illustrate the devices supplied to the Government, he nonetheless did not feel any need for defendant to supply any such materials. Instead, he indicated that he would discuss the matter with knowledgeable Hughes Aircraft Co., employees and proposed by way of stipulation of facts and/or drawings that would represent systems produced by TRW, Inc., and or Philco-Ford to the Government.

With regard to defendant's stipulating that at least one accused device was procured during the relevant accounting period, Mr. Stokes indicated that as presently advised he was unable to enter into any such stipulation. Moreover, Mr. Stokes stated that his investigation to date shows that all procurement was made prior to the issuance of the patent involved in the subject suit. Mr. Stokes thus feels that if the supporting facts exist, he may move for dismissal because of the lack of jurisdiction by this court.

The parties briefly discussed the continuing use during the relevant accounting period by the Government of accused devices procured prior to the issuance of the Williams patent. As explained, signals from the United States are periodically transmitted to satellites incorporating the alleged invention for the correction of the satellites' positions and/or attitude. Plaintiff urged that the periodic monitoring amounts to use by the United States. The Government, on the other hand, appears to be arguing that while the pulses may be transmitted from the United States, the alleged infringement occurs, if at all, in outer space and thus may be beyond the reach of plaintiff's United States patent.

Mr. McDougall indicated that questions such as these may not have to be resolved because of the procurement by the Government of an alleged infringing device since the filing of the petition in the above-styled case. To this, Mr. Stokes stated that a new petition may have to be filed since there may not be any procurement and/or use during the accounting period covered by the pending case. The question of defendant's stipulating that at least one of each of the accused devices or all the representative devices being procured during the relevant accounting period will be reconsidered as soon as the accused devices become known.

Mr. McDougall also indicated that he did not have any need at this time for any of the factual information upon which the defenses alleged in defendant's answer are based. While

such information will eventually be sought, Mr. McDougall preferred to delay such discovery for the time being.

As a result of agreement by counsel for the parties,

IT IS HEREBY ORDERED that defendant will by August 5, 1974, submit a written request regarding production of documents to plaintiff. Plaintiff has agreed to respond to defendant's request within 60 days after its receipt.

Plaintiff has agreed to submit a proposed stipulation of facts regarding the infringement issue to defendant by September 16, 1974. Defendant will attempt to respond to plaintiff's proposed stipulation of facts by November 13, 1974, with reasonable extensions of time being acceptable, if necessary.

IT IS FURTHER ORDERED that a pretrial conference will be held on February 5, 1975, at a time to be later set to discuss topics such as the status of the case and the setting of a trial date. Further topics for discussion will be added well in advance of the pretrial date to enable adequate preparation time by counsel for the parties.

Joseph v. Colaianni, Trial Judge